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- and -

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Counsel to the Debtors and Debtors in Possession

> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

- - - - - - - - - - X

In re: : Chapter 11

CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH)

et al.,

Debtors. : Jointly Administered

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FIRST SUPPLEMENTAL DECLARATION OF GREGG M. GALARDI IN SUPPORT OF DEBTORS' APPLICATION FOR ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 327(a) AND 329 AND BANKRUPTCY RULES 2014 AND 2016 AUTHORIZING EMPLOYMENT AND RETENTION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP AND AFFILIATES AS BANKRUPTCY COUNSEL TO THE DEBTORS AND DEBTORS IN POSSESSION EFFECTIVE AS OF THE PETITION DATE

I, Gregg M. Galardi, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

- 1. I am a member of the firm of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps" or the "Firm"), which maintains offices for the practice of law at, among other places, One Rodney Square, 10th and King Streets, Wilmington, Delaware 19899-0636.
- 2. On December 8, 2008, this Court entered an order authorizing the above-captioned debtors and debtors in possession (collectively, the "Debtors") to employ and retain Skadden, Arps as their general bankruptcy counsel.
- 3. On November 20, 2008, I submitted the

  Declaration of Gregg M. Galardi in Support of Debtors'

  Application for Order Pursuant to Bankruptcy Code Sections

  327(a) and 329 and Bankruptcy Rules 2014 and 2016 And Local

  Rules 2016-1 and 2014-1 Authorizing Employment and

  Retention of Skadden, Arps, Slate, Meagher & Flom LLP and

  Affiliates as Bankruptcy Counsel to the Debtors and Debtors

  in Possession Effective as of the Petition Date (the

  "Declaration").
- 4. As stated in the Declaration, Skadden, Arps instituted and is currently engaged in an extensive further inquiry regarding the Debtors' constituencies through, among other things, the circulation of a special disinterestedness questionnaire to each of the

approximately 2,000 members, counsel, and associates in the Firm's numerous domestic and international offices (the "Questionnaire"). Additionally, Skadden, Arps has performed additional searches of its client and conflict databases with respect to entities and other parties in interest that participated, appeared or filed formal notices of appearance in these bankruptcy cases, a list of which is annexed as Exhibit A (collectively, the "Additional Parties in Interest"). By this Supplemental Declaration, I am supplementing the Declaration based upon a review of responses received to the Questionnaire and the searches conducted with respect to the Additional Parties in Interest.

otherwise set forth herein and in the Declaration, the members, counsel, and associates of Skadden, Arps (a) do not have any connection with any of the Debtors, their affiliates, their creditors, or any other party in interest, or their respective attorneys and accountants, the United States Trustee for the Eastern District of Virginia or any person employed in the office of the same, or any judge in the United States Bankruptcy Court or District Court for the Eastern District of Virginia or any

person employed in the offices of the same, (b) are "disinterested persons," as that term is defined in Bankruptcy Code section 101(14), and (c) do not hold or represent any interest adverse to these estates.

- 6. Except as otherwise indicated herein, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto. 1
- 7. Additional Parties in Interest. Based on client database queries regarding the Additional Parties in Interest set forth on Exhibit A, I have determined that the Firm currently represents or has represented in the past the following Additional Parties in Interest (or their affiliates or beneficial owners), each of which is or may be a creditor or other party in interest in the Debtors' cases, in matters unrelated to the Debtors: Alfred Siegel, as chapter 7 trustee for the estate of IndyMac Bancorp Inc., ACCO Brands Corporation, Acer American Holdings Corporation, Acquarion Water Company, Advertising.com, Amcor Sunclipse North America, American Bankers Insurance Company of Florida, AOL LLC, Business Objects, Canon U.S.A. Inc., Children's Hospital Los Angeles, CIT Group, DIRECTTV,

Certain of the disclosures herein relate to matters within the knowledge of attorneys of Skadden, Arps and are based on information provided by them.

Inc., Eaton Corporation, Federal Warranty Service Corporation, Gateway, Inc., GE Money Bank, General Growth Properties, Inc., Georgia Pension Associates Real Estate Corporation, Iron Mountain Information Management, Inc., Jones Lang LaSalle Americas, Inc., Kentucky Utilities, LG Electronics USA, Inc., Mall Properties, Manufacturers & Traders Trust Company, McClatchy Company, Monarch Alternative Capital LLP, Ohio Power, Oracle Credit Corporation, Oracle USA, Inc., Parago, Inc., Phillips International, Phoenix Property Company, Premier Retail Networks, Inc., SEGA, Simpletech, Sirius XM Radio, Inc., Symantec Corporation, Texas Instruments, Inc., The Target Corporation, Teachers Insurance and Annuity Association of America, TPG Management Inc., Travelers, Turner Broadcasting System, Inc., Wal-Mart Stores East LP and The Watt Companies.

- 8. Responses to Disinterestedness

  Questionnaire. Based upon the responses to the

  Questionnaire and further inquiry, I supplement the

  Declarations as follows.
- 9. First, Skadden, Arps currently represents and has represented in the past the following entities (or their affiliates or beneficial owners), each of which is or

may be a creditor or other party in interest in the

Debtors' cases, in matters unrelated to the Debtors:

Centro Watt, Axis Reinsurance Company, Axis Surplus

Insurance Company, James Hardyman, XL Specialty Insurance

Company, Mountaineer Gas, WEA Gateway LLC, Wheaton Plaza

Regional Shopping Center, Forest City Commercial Real

Estate Group, and Priceline.com.

- 10. Second, certain Skadden, Arps' attorneys have relatives that are or were directors, officers, or employees of the following entities (or their affiliates or beneficial owners), each of which is or may be a creditor or other party in interest in the Debtors' cases: Wells Fargo, the IRS, Chubb, General Growth Properties, Tampa Electric Company, JP Morgan Chase, Lehman Brothers, Sunoco, ComEd, PEPCO, CDW, AT&T, Wachovia Securities, Verizon, Sennheiser USA, Inc., Duke Energy, Peoples Gas, Gordon Brothers Retail Partners and Target.
- 11. Moreover, a certain Skadden, Arps' attorney not involved in the representation of the Debtors is a five percent (5%) or greater shareholder in the following entities (or their affiliates or beneficial owners), each of which is or may be a creditor or other party in interest

in the Debtors' cases: Logitech, Microsoft, Apple Computers, Fairpoint Communications and Verizon.

- 12. In addition, Skadden, Arps uses Empire Blue Cross Blue Shield, which is or may be a creditor or other party in interest in the Debtors' cases, as a provider of health insurance and related benefits for the Skadden Arps' attorneys and employees.
- 13. Certain Skadden, Arps' attorneys formerly served as law clerks of Judge Gerald Lee of the United States District Court for the Eastern District of Virginia and Judge Stephen S. Mitchell of the United States

  Bankruptcy Court for the Eastern District of Virginia.
- own nominal shares of or have accounts, including bank, investment, credit card, or other accounts, with the following entities (or their affiliates or beneficial owners), each of which is or may be a creditor or other party in interest in the Debtors' cases: Centro Watt, Microsoft, Comcast, PSE&G Gas & Electric, Verizon, PEPCO, JP Morgan Chase, American Express, Mastercard, Visa, Cosco, Wells Fargo, UBS, Sprint, Research In Motion, Discover, Kaiser Permanente, TECO, AT&T, Verizon, Ouestar

Corporation, Portland Gas & Electric, Bank of America, Textron, and Florida Power & Light.

15. Conclusion. Skadden, Arps will continue to comply with its ongoing duty under Bankruptcy Code section 327 and Bankruptcy Rule 2014 and will notify the Court if any actual or potential conflict, relationship, or connection arises. In that regard, Skadden, Arps will continue to conduct further due diligence and research of its client databases and inquiries of its attorneys and will file additional supplemental declarations regarding its retention, to the extent necessary.

I declare under penalty of perjury under the laws of the United States of America that, to the best of my knowledge and belief, and after reasonable inquiry, the foregoing is true and correct.

Dated: Wilmington, Delaware March 30, 2010

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Gregg M. Galardi
Gregg M. Galardi (I.D. No. 2991)
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
(302) 651-3000

## **EXHIBIT A**

507 Northgate, LLC Brazoria County

553 Retail LLC Brazoria County MUD #6

ACCO Brands Corp.

Acer America Corp

Actiontec

Broward County

Bulldog Rack Co.

Burleson ISD

Active Media Services Inc

Activision

Bush Industries, Inc.

Business Objects

Activision Business Objects
Acxiom Corp. Cafaro Northwest Partnership

Add On Computer Peripherals

Cameron Bayonne, LLC

Adobe Systems

Cameron County

Canan USA Inc.

Aiptek Inc Canon USA Inc
AK Designs LLC CapTech Ventures, Inc.
Alief ISD Card, Jonathan

Alliance Entertainment Caribbean Display & Construction, Inc.

Allsop Inc

Almo E-Commerce LLC

Amcor Sunclipse North America

Case Logic Inc

CC Colonial Trust

CC Investors 1995-6

American Bankers Insurance Co. of Florida CC Joliet Trust

American Future Technology

Ameriwoods Industries

CC-Investors 1995-6

Amherst VF LLC

Ammon Properties

CC-Investors 1995-6

CDB Falcon Sunland Plaza LP

Cello Partnership

Ammon Properties

Amore Construction Co.

Centro Electronics Inc

Centre at 38th St TIC, LLC

AOL LLC Centre Daily Times (State College)

Araphoe County Treasurer

Archon Group, LP

Archos Inc

Arlington ISD

Associate Corporate Regency Centers

CG Holdings

Charlotte Observer

Checkpoint System Inc

Chelmsford Realty Associates

Children's Hospital Los Angeles

Atari Inc. Ching Wei Telecom Co.
Atlantic Inc CIT Group Commercial Services

Averatec Inc City Portfolio TIC, LLC

AVR CPC Associates LLC

Baldwin, Vance

Cobra Electronics

Barcoding Inc.

Coca Cola Enterprises Inc

Baybrook MUD 1

Cohen, Savitri

BB Fonds International 1 USA, LP

Cohesion Products Inc.

College International

Belleville News-Democrat

Bellingham Herald

Colorado Structures, Inc., dba CSI Construction

Bell'O International Corp.

Co.

Beltronics USA, Inc.

Columbia State

Columbia Lodger F

Benson Co., Inc.

Columbus Ledger-Enquirer

COMSYS Information Technology

Company of the compan

Besam COMSYS Information Technology Services, Inc.
Biloxi Sun Herald Condan Enterprises, LLC

Biloxi Sun Herald Condan Enterprises, LLC
Bissell Homecare Connexion Technologies
Bobinski, Alexander H Contel Electronics Co.
Bose Corp Cousins Properties
Bradenton Herald CP Management Corp.

CRA Acquisition Co.

Creative Labs

Creative Realty Management

Crowe Horwath LLP **Curtis International** Cushman & Wakefield **Cyber Acoustics** CyberPower Systems D&H Distributing Co **DeHart Holdings** 

Delphi Product and Service

Dennco Denon

Descanso TIC, LLC DFS Services LLC

Digital Blue

Digital Innovations LLC DIM Vastgoed, N.V. Direct TV Inc

Directed Electronics Inc

DIRECTV, Inc.

Ditan Distribution LLC D-Link Systems, Inc. Douglass, J Scott **DSI Systems Inc** 

Dudley Mitchell Properties TX, LLC

Dunwell, Donovan DXG Technology USA **Eaon Communications Corp** East Brunswick VF LLC Eastman Kodak Co

Eaton Corp.

EB Carlson Markting **EBC** Marketing Inc Electra-Craft Inc Energizer Battery Co. Engineered Structures, Inc. Envision Peripherals, Inc. Excel Best Industries Ltd

Expesite LLC FCMA, LLC

Federal Warranty Service Corp.

First International Computer of America FM Facility Maintenance, f/k/a IPT, LLC

Fort Worth Star-Telegram Four Star International Trade

Fox Broadcasting Co.

Frederick Seibel Revocable Trust

Fresno Bee FT Orchard LLC Fujifilm USA Inc

Fujikon Industrial Co. Ltd Fujitsu Ten Corp of America

Funai Corp Inc Funches. Dwaine **General Instruments Genius Products** Gentry, Robert Goldenberg Group

Good Mind Industries Co Ltd

Goodman Enterprises

Greater Orlando Aviation Authority

Guidecraft USA

Haier America Trading LLC

Hain Capital Group

Hallaian, Harry, Lilly, Leon and Ruby

Hamilton Beach Brands, Inc. Haupapauge Computer Works, Inc.

Hernandez, Jack Hillson Electric, Inc. Horizon USA Idaho Statesman Ideal Technology, Inc. IKON Office Solutions, Inc. **Imagination Entertainment Imitation Corporation** Industriaplex, Inc.

InfoPrint Solutions Co. Ingram Entertainment **Interactive Toy Concepts** 

Iron Mountain Information Management, Inc.

Island Packet

Itouchless Housewares & Products, Inc

Jack of All Games

John Rohrer Contracting Co., Inc.

JVC

Kansas City Star

KB Columbus I-CC, LLC Kessigner, Charles L. and Jack

Kingston Technologies

Konami Digital Entertainment America

Korea Export Insurance Corp Lang Construction, Inc. Lexington Herald-Leader Lexington Richmond LLC LG Electronics USA. Inc. Liquidity Solutions Inc

Lowepro USA LumiSource, Inc. Macon Telegraph Mad Catz, Inc.

Madcow International Group

Madison Waldorf LLC Magellan Navigation Majesco Entertainment Co

Majesco Sales, Inc. Mannix, John B.

Manufacturers & Traders Trust Co.

McClatchy Co. McKinley, Inc. Merced Sun Star Merchant Equity Metra Electronics Miami Herald

Micro Products Distributors Midland Radio Corp

Mills & Nebraska Miner Corp.

Minnite, Judith Rae and Pat Minwa Electronics Co Ltd Mio Technology USA

Mitex Corp Mizco International MLO Appliance Modesto Bee

Monarch Alternative Capital LLP

Motion Systems Motorola Inc

Myrtle Beach Sun News Namsung America Inc

Nautic Partners NBT Bank, N.A Netgear Inc

New Age Electronics

Nextar, Inc.

Nintendo Hardware Nyko Technologies Inc

Olympian

Oracle Credit Corp. Oracle USA, Inc. Pan Digital

Panasonic Corp. of North America

Panattoni Construction, Inc.

Parago, Inc. Parrot Inc

Pension Benefit Guaranty Corp.

Petters

Philips Lighting Co Phillips International

Photoco, Inc. PIMA County Plain Dealer Platform-A Inc Platinum Disc Corp PM Construction, Inc. PNY Technologies, Inc.

Polaroid Polk Audio Inc

Procare International Co.

Proctor & Camble Distributing Co

**Proview Tech** 

Public Service of North Carolina Pure Digital Technologies Inc R Pac International Corp.

Redline Studio
Retail Vision
Rio Associates LP
Ritz Motel Co.
RJ Ventures, LLC
RLV Village Plaza, LP
RMRG Portfolio TIC, LLC
Route 146 Millbury LLC
RTS Marketing, Inc.
S.J. Collins Enterprises
Sacco of Maine LLC
Sacramento Bee
Salamander Designs

Samsonite

San Luis Obispo Tribune

Salem Rockingham LLC

Sanford LP

Sangertown Square, LLC Sanwen International Co Lts

SAP Retail, Inc. Saul Holdings LP

Schottenstein Property Group, Inc. Schwartz, Zoltan and Anna

SDI Technologies Inc Seagate Technology LLC

Sega

Shelby Properties TX, LLC Sherwood America, Inc.

Shimenti Construction Co., LLC

Siebel Marketing Group Siebel, Frederick Jr. Siebel, Frederick Sr. Siebel, Gretchen Siegel, Alfred

Signature Home Furnishing

Sima Products Corp. Sir Barton Place, LLC

Sirius XM

Smart Micro USA Smartparts, Inc SMR Gateway III, LLC Source Interlink Media, LLC South Shields #1, Ltd.

Southland Acquisitions, LLC

Southpeak Interactive SP Richards Co Spiderwear

Spring Hill Development Partners, GP

SR Weiner & Associates Inc.

Stephen Gould Corp

Sun Belt General Contractors, Inc.

Sureway, Inc. **SVG** Distribution Symantec Corp Synnex Corp. **T&T** Enterprises

T.D. Farrell Construction Inc.

Tacoma News Inc. Take Two Interactive

Tamarack Village Shopping Center LP

Tamrac Inc Targus Inc.

Taubman Auburn Hills Associates LP

Teledynamics LLP Ten Tronics Co. Ltd Texas Instruments Inc. The Warranty Group Thirty & 141, LP

Thomson Multimedia Inc

TI PI Texas, LLC Time Warner Cable

TIVO Inc

TKG Coffee Tree, LP

Torrance Towne Center Associates, LLC

Towson VF LLC TPG Management Inc. Tracfone Wireless Inc

Triangle Equities Junction LLC

Tri-City Herald Trigem USA Inc Tritornics Inc.

Turner Broadcasting System, Inc.

Tysons 3 LLC U.S. 41 & I-285 Co.

Union Square Retail Trust

United Independent School District

United Parcel Service, Inc.

United Service Protection, Inc.

United States Debt Recovery LLC

Universal Fixtures & Display

Universal Studios Home Entertainment

UPS Ground Freight, Inc. UrbanCal Oakland II LLC

US Luggage Co US Music Corp. US Signs, Inc. UTC I, LLC

Valley Corners Shopping Center, LLC

Vance Baldwin Velocity Micro Inc. Ventura In Manhattan Inc. Vonage Marketing Inc.

Vontech

Vonwin Capital Management Vornado Gun Hill Road, LLC

Wanslee, Madeleine C. Washington Corner, LP Washington Green TIC

Washington Real Estate Investment Trust

Watercress Associates LP, dba Pearlridge Center

Watt Companies Wayne VF LLC Weeks Properties Westgate Village LP

Whitestone Development Partners, LP

Windsail Properties, LLC Wireless Solutions LLC Woodlawn Trustees, Inc. Ziegler Companies LLC